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OFFICE OF THE
EXECUTIVE SECRETARY
Tennessee Regulatory Authority
Ford Motor Land Services Corporation

One Parklane Boulevard
Suite 1500 East
Dearborn, MI 48126-2477

February 23, 2000

Mr. Melvin Malone
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

99-00994

Dear Mr. Malone:

Since March 1, 1993 Ford Motor Company's Nashville Glass Plant has transported natural gas to that facility under the terms of a rate negotiated with Piedmont Natural Gas Company. The rate recognized both the distressed economic conditions of the plant and the viable alternative of a bypass. The Tennessee Public Service Commission on April 6, 1993 approved the original contract. Ford negotiated a successor contract that extended the negotiated rate until October 31, 2000.

Under the terms of these contracts, neither party can request the Tennessee Regulatory Authority to change the rate. The intent was to preserve the negotiated rate for the duration of the contract. We were quite disappointed when in January 1997, Ford rates were increased by the Regulatory Authority due to a Piedmont rate case. Ford had been told that Piedmont had excluded it from the filing. Ford negotiated these rates in good faith with Piedmont as an alternative to the construction of a bypass. Rate changes mandated by the Regulatory Authority effectively negated the negotiated rate.

The economic situation at Nashville Glass has not improved since the original bypass deferral contract in 1993, and bypass remains a viable alternative. Based on the proposed Piedmont rate filing, we request the Tennessee Regulatory take no independent action to increase the rates contained in the present Gas Redelivery Agreement between Piedmont Natural Gas Company and Ford Motor Company.

Please contact me at 313.594.7089 with any questions or comments.

Very truly yours,

James J. Mulholland
Manager, Natural Gas Programs
Energy Efficiency & Supply

cc: R. A. Cucchi (Ford Motor Company)
P. Mehra (Ford Motor Land Services Corporation)
J. P. Zietz (Ford Motor Company)
M. Horn (Tennessee Regulatory Authority)
D. Waddell (Tennessee Regulatory Authority)
J. M. Vitucci (Nashville Glass Plant)

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Ford Motor Land Services Corporation

One Parklane Boulevard
Suite 1500 East
Dearborn, MI 48126-2477

February 23, 2000

Mr. H. Lynn Greer, Jr.
Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Greer:

Since March 1, 1993 Ford Motor Company's Nashville Glass Plant has transported natural gas to that facility under the terms of a rate negotiated with Piedmont Natural Gas Company. The rate recognized both the distressed economic conditions of the plant and the viable alternative of a bypass. The Tennessee Public Service Commission on April 6, 1993 approved the original contract. Ford negotiated a successor contract that extended the negotiated rate until October 31, 2000.

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D. Waddell (Tennessee Regulatory Authority)
J. M. Vitucci (Nashville Glass Plant)



Ford Motor Land Services Corporation

One Parklane Boulevard
Suite 1500 East
Dearborn, MI 48126-2477

February 23, 2000

Ms. Sara Kyle
Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Ms. Kyle:

Since March 1, 1993 Ford Motor Company's Nashville Glass Plant has transported natural gas to that facility under the terms of a rate negotiated with Piedmont Natural Gas Company. The rate recognized both the distressed economic conditions of the plant and the viable alternative of a bypass. The Tennessee Public Service Commission on April 6, 1993 approved the original contract. Ford negotiated a successor contract that extended the negotiated rate until October 31, 2000.

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James J. Mulholland
Manager, Natural Gas Programs
Energy Efficiency & Supply

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J. P. Ziety (Ford Motor Company)
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